



TELECOMMUNICATIONS  
ASSOCIATION OF MICHIGAN

**MEMORANDUM**

**TO:** Members of the House Tax Policy

**FROM:** Jennifer Greenburg, Government Policy Director

**DATE:** March 9, 2010

**RE:** Opposition to HB 5419

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The Telecommunications Association of Michigan opposes House Bill 5419 because it represents a tax increase on Michigan's residential and business customers even before the Legislature has acted on cost-saving structural reforms.

Today, 800 service and fixed wireless service are exempt from the application of use tax. If enacted, HB 5419 would require businesses across the state to pay use taxes on these services, increasing the costs of operating a business in Michigan.

To the extent that any new tax revenue is needed to pay for state government services, the decision to raise taxes should only be done after a careful and comprehensive analysis of cost-saving structural reforms. The Legislature has an opportunity to take significant steps toward right-sizing the cost of Michigan's government without penalizing Michigan business with additional tax burdens. We look forward to participating in those discussions and ask that you not take any action on HB 5419 until all of the reform proposals have been considered.